

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3089 - SB 3139

February 9, 2010

SUMMARY OF BILL: Changes the amount of required contribution to the Tennessee Consolidated Retirement System (TCRS) for certain individuals who previously exercised the option to not participate, but subsequently elects to participate.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Assumptions:

- Under current law, these individuals would be required to make a payment equal to the amount they would have contributed if a member plus an additional 7.5 percent.
- Under this bill, the additional percentage required of the individual will change from 7.5 percent rate to an adjustable rate as adopted by the Board of Trustees pursuant Tenn. Code Ann. § 8-37-214.
- Authorizing the Board of Trustees to set the required additional rate will eliminate the need for federal, state, or local governments to pay for any increased liability to the TCRS; the subsequently electing participants will be required to make the necessary contributions.
- Based on information provided by TCRS, any increase to state expenditures for administration is considered to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/rnc